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 FM THE SITUATION ROOM//TOHAK 24//

TO ADAMS FOR THE SECRETARY

UNCLAS VIA BLACK PATCH WHS1114

TOHAK 24

JUNE 30, 1975

MEMORANDUM FOR SECRETARY KISSINGER
 FROM: THE SITUATION ROOM
 SUBJECT: MORNING NEWS SUMMARY

THE WASHINGTON POST

JOSEPH FITCHETT REPORTS THAT AFTER AN UPSURGE OF STREET FIGHTING THAT TERRORIZED LEBANON'S CAPITAL, PREMIER-DESIGNATE RASHID KARAMI APPARENTLY WON SUPPORT YESTERDAY FROM THE COUNTRY'S MAIN POLITICAL FACTIONS TO FORM A TRANSITION GOVERNMENT DESIGNED TO PACIFY THE COUNTRY. THE GOVERNMENT REPORTEDLY WOULD INITIALLY EXCLUDE BOTH THE RIGHT-WING CHRISTIAN PHALANGISTS AND THE LARGELY MOSLEM SOCIALIST OPPOSITION. (A-1)

GEORGE LARONER REPORTS ON CIA DIRECTOR COLBY'S BELIEF THAT HE REMAINS OPPOSED TO ANY INROADS ON THE SECRECY SURROUNDING THE SPY AGENCY'S MULTI-MILLION-DOLLAR BUDGET. (A-1)

LEWIS SIMONS REPORTS FROM NEW DELHI YESTERDAY THAT POLICE USING TOUGH TACTICS PREVENTED A MASS DEMONSTRATION IN THE ANCIENT QUARTER OF NEW DELHI TO PROTEST WHAT ORGANIZERS HAD TERMED "THE STRANGULATION OF DEMOCRACY" IN INDIA. ELSEWHERE, RELIABLE SOURCES SAID POLICE HAD OPENED FIRE ON PROTESTERS IN PARTS OF BOMBAY AND CALCUTTA. THE REPORTS COULD NOT BE CONFIRMED. (A-1)

DON DBERDORFER CONTENDS THAT THE U.S.-SOUTH KOREAN PROPOSAL FRIDAY TO DISBAND THE UN COMMAND, SUBJECT TO CREATION OF A SUBSTITUTE ARRANGEMENT TO CONTINUE THE ARMISTICE, HAS FAR MORE POLITICAL IMPORTANCE THAN POTENTIAL MILITARY IMPACT.

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NONETHELESS IT COULD HAVE WORLDWIDE SIGNIFICANCE. ACCORDING TO NORTH KOREAN REPRESENTATIVES IN JAPAN, TERMINATION OF UN SUPPORT FOR SOUTH KOREA IS A FIRST STEP IN A PROCESS OF "POLITICAL DISARMAMENT" AIMED AT EVENTUAL UNIFICATION OF KOREA UNDER PYONGYANG'S AUSPICES. (A-16)

THE LEAD EDITORIAL ADDRESSES OIL AND ECONOMIC STRATEGY. IT SAYS THAT WHEN MR. FORD CALLED ANOTHER INCREASE UNACCEPTABLE AT HIS PRESS CONFERENCE ON WEDNESDAY, SOMEONE ASKED HIM WHAT PRECISELY THE WORD MEANT. IT MEANT THAT THIS COUNTRY AND ITS ALLIES "ARE GOING TO HAVE TO FIND SOME ANSWERS OTHER THAN OPEC OIL." THAT WILL TAKE YEARS. FOR THE REST OF THIS DECADE, THE ONLY REAL QUESTION IS WHETHER THE U.S. CAN EVEN KEEP ITS OIL IMPORTS FROM RISING FURTHER. WHILE OPEC'S INTENTIONS ARE NEVER EASY TO FORECAST, A PRICE INCREASE OF \$2 A BARREL IS WELL WITHIN THE RANGE OF POSSIBILITY. THAT WOULD TAKE THE PRICE OF IMPORTED OIL OVER \$15. IF, AT THE SAME TIME, THE PRICE CONTROLS EXPIRE, ALL DOMESTIC PRICES WILL RAPIDLY RISE TOWARD THE LEVEL OF THE IMPORTS. IT MEANS THAT THE AVERAGE PRICE OF OIL IN THIS COUNTRY COULD INCREASE BY MORE THAN HALF BETWEEN LABOR DAY AND CHRISTMAS. THAT TREMENDOUS JOLT TO THE ECONOMY WOULD SEND UNEMPLOYMENT HIGHER THAN EVER. OVER THE PAST TWO YEARS, THE COUNTRY HAS SEEN THE DRAMATIC IMPACT THAT MASSIVE OIL PRICE INCREASES CAN HAVE ON THE ECONOMY. FURTHER TROUBLE IS CLEARLY VISIBLE AHEAD. IF THE COUNTRY IS TO PUT ITS ECONOMIC DEFENSES IN ORDER BY FALL, IT HAS ONLY ONE SHORT SUMMER IN WHICH TO GET TO WORK. (A-22)

EVANS AND NOVAK DISCUSS THE MENACE TO THAILAND. THEY FIND THAT IN POVERTY-STRIKEN NORTHEASTERN THAILAND, THE GOVERNMENT IS NOT DOING NEARLY ENOUGH TO SUPPRESS A SPREADING COMMUNIST INSURGENCY THAT COULD RUN WILD WITH HELP FROM HANOI. THE GOVERNMENT IS NOT COMMITTING ENOUGH MONEY, MEN, OR ENERGY TO CONTROL THE NORTHEAST'S DECADE-OLD INSURGENCY. INCREASED GUERRILLA ACTIVITY SINCE THE COMMUNIST TRIUMPH IN INDOCHINA COULD BE ONLY THE BEGINNING. THE FUTURE MENACE IS NORTH VIETNAM'S TAKING OVER THAI INSURGENTS AS IT DID CAMBODIA'S KHMER ROUGE, TURNING THEM INTO AN IRRESISTIBLE FORCE. IN A LONG BITTER GUERRILLA WAR JUST REALLY BEGINNING, ONLY THE THAIS THEMSELVES CAN PREVENT THEIR NATION FROM BECOMING ANOTHER INDOCHINA AND ANOTHER DOMINO IN COMMUNISM'S INEXORABLE SPREAD OVER ASIA. (A-23)

JACK ANDERSON AND LES WHITTEN BELIEVE THAT WHILE CIA OFFICIALS SQUIRM UNDER THE KLEIN LIGHTS ON CAPITOL HILL, SOVIET KGB AGENTS ARE OPERATING IN THE SHADOWS OF THE SAME CONGRESSIONAL CORRIDORS. THE KGB APPEARS TO BE MOST INTERESTED, ACCORDING TO OFFICIALS, IN INTELLIGENCE ABOUT U.S.-CHINA RELATIONS, SALT DISARMAMENT TALKS, MIRV MISSILES, AND U.S.

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COMPUTER TECHNOLOGY. SENATOR GOLDWATER HAS QUOTED "VERY, VERY GOOD SOURCES," MEANWHILE, AS ALLEGING THAT FOREIGN AGENTS HAVE ACTUALLY INFILTRATED CONGRESSIONAL OFFICES. OUR SOURCES SAID THE SECRET FILES CONTAIN NO EVIDENCE THAT ANY MEMBERS OF CONGRESS, NOR THEIR EMPLOYEES, ARE SECRET SPIES. (H-9)

THE BALTIMORE SUN
ACCORDING TO STEPHEN NORDLINGER, THE FIGURES ON THE LOSS OF COAL PRODUCTION CITED BY PRESIDENT FORD TO JUSTIFY HIS VETO OF THE STRIP-MINING BILL APPEAR TO HAVE BEEN BASED ON THE ROUGHEST KIND OF ESTIMATES, VERIFIED IN PART BY CHECKING WITH STATE MINING ASSOCIATION OFFICIALS WHO WERE KNOWN VOCAL OPPONENTS OF THE LEGISLATION. A MEMO WRITTEN AT THE INTERIOR DEPARTMENT REFERRED TO SOME OF THE FIGURES AS "MUSHY" AND SAID THAT SUPPORTING MATERIAL MIGHT HAVE TO BE ASSEMBLED IF THEY BECAME SUBJECT TO ATTACK IN CONGRESS. (A-1)

CHARLES CORODRY REPORTS THAT THE QADHAFI REGIME IN LIBYA IS REBUILDING WORLD WAR II SUBMARINE PENS NORTHEAST OF BENGHAZI IN PREPARATION FOR DELIVERY OF AS MANY AS SIX SUBS FROM THE SOVIET UNION, INTELLIGENCE SOURCES REPORTED YESTERDAY. TRANSFER OF THE SUBMARINES -- POSING A LONG-RANGE RATHER THAN IMMEDIATE PROBLEM -- WILL BE PART OF A CONTINUING FLOW OF SOVIET WEAPONS TO THE RADICAL ARAB GOVERNMENT WHICH IS ALSO TO INCLUDE A DOZEN SUPERSONIC BLINDER BOMBERS AND HUNDREDS OF LATE-MODEL TANKS, THE SOURCES SAID. (A-1)

AP REPORTS THAT ARGENTINA'S POWERFUL TRADE UNIONS WILL DECIDE TODAY WHETHER TO SUPPORT PRESIDENT PERON'S ORDER TO ROLL BACK HUGE WAGE INCREASES WON THIS MONTH. SOME SOURCES SAID THE UNION COULD CALL ANOTHER GENERAL STRIKE IN A NATION ALREADY HARSHLY HIT BY FALLING PRODUCTION. MEANWHILE, MRS. PERON'S GOVERNMENT WAS SHAKEN BY THE RESIGNATION OF LABOR MINISTER RICARDO OTERO SATURDAY. (A-2)

PORTUGAL'S COMMUNIST PARTY LEADER, ALVARO CUNHAL, SAID YESTERDAY HIS PARTY WILL TAKE LEGAL ACTION AGAINST THE SOCIALIST NEWSPAPER REPUBLICA FOR ITS PUBLICATION OF AN ALLEGED SOVIET DOCUMENT OUTLINING METHODS OF COMMUNIST SUBVERSION IN PORTUGAL. (A-4)

AP REPORTS THAT ISRAEL'S DEFENSE MINISTER, SHIMON PERES, YESTERDAY REPEATED ISRAEL'S REFUSAL TO VACATE TWO VITAL MOUNTAIN PASSES IN THE SINAI. IT WOULD BE EASIER FOR ISRAEL TO HAND OVER THE ABU RUWAYS OIL FIELDS, HE SAID. HE ADDED THAT IF ISRAEL WITHDREW FROM THE WESTERN SLOPES OF THE PASSES, THE ISRAELIS WOULD REFUSE TO ALLOW EGYPTIAN TROOPS TO MOVE IN

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AND WOULD DEMAND THAT UN FORCES CONTROL THE ZONE. BUT ONE LOFFICIAL CAUTIONED THAT "NOTHING IS DEADLOCKED YET AND THIS IS STILL THE FIRST ROUND OF NEGOTIATIONS." (A-5)

IN AN EDITORIAL ON U.S. AID TO LAOS, THE SUN BELIEVES THAT NO ONE WOULD QUESTION TODAY THE AMERICAN FAILURE TO UNDERSTAND THE ERSTWHILE INDOCHINESE ALLIES. WHAT IS OFTEN FORGOTTEN IS HOW LITTLE THE INDOCHINESE UNDERSTAND AMERICANS. IT IS NOT THE RECENT STUDENT HARASSMENT OF AMERICANS THAT THREATENS TO KEEP AMERICAN AID FROM BEING RESUMED. THE THREAT IS FROM PATHET LAD REFUSAL TO SAY WHAT IS MEANT BY DEMANDS THAT FUTURE AID BE WITH "NO STRINGS ATTACHED." THE DEEP INVOLVEMENT OF USAID IN THE LAOTIAN WAR WAS A BIZARRE BLUNDER; THERE IS NO REASON TO COMMIT ITS OBVERSE NOW BY HANDING OVER EVER-SCARCER AMERICAN DEVELOPMENT MONEY WITH NO IDEA WHERE IT IS GOING. (A-8)

THE NEW YORK TIMES

RICHARD LYONS WRITES THAT FROM BANGOR, MAINE, TO WALNUT CREEK, CALIFORNIA, FROM WHITE RIVER JUNCTION, VERMONT, TO THE WHITE HOUSE, REPRESENTATIVES OF THE ARAB LOBBY ARE VISITING SCORES OF AMERICAN CITIES AND TOWNS TO PRESS THE ARAB VIEW OF MIDDLE EASTERN AFFAIRS. WHILE THEIR EFFORTS HAVE NOT YET APPROACHED THE EFFECTIVENESS OF THE PRO-ISRAELI LOBBY, THE USUAL ATTITUDE OF INDIFFERENCE TOWARD THE ARAB CAUSE IN CONGRESS AND AMONG THE GENERAL POPULATION IS BEGINNING TO CHANGE. (1)

ERIC PACE REPORTS FROM NEW DELHI THAT ANTIGOVERNMENT RIOTING BROKE OUT NEAR THERE YESTERDAY. POLICEMEN USING LEAD-TIPPED RIOT STICKS RAINED BLOWS ON YOUTHS WHO POURED BY THE HUNDREDS THROUGH THE STREETS OF THE OLD CITY OF DELHI CHANTING "INDIRA GANDHI, GET OFF YOUR THRONE." AT LEAST 30 DEMONSTRATORS WERE ARRESTED AS THE GOVERNMENT OF PRIME MINISTER GANDHI TOOK STERN SECURITY MEASURES TO PREVENT THE PROTEST FROM SPREADING. (1)

THOMAS JOHNSON REPORTS THAT REPRESENTATIVES OF ANGOLA'S THREE COMPETING GUERRILLA FORCES MET IN LUANDA THIS WEEK-END TO DISCUSS THE FORMATION OF A SINGLE ANGOLAN ARMY MADE UP OF SOLDIERS FROM ALL OF THEM. A SENSE OF EMERGENCY SURROUNDED THE CLOSED TALKS, BECAUSE THE GENERAL ECONOMY OF ANGOLA AND THE CIVIL ADMINISTRATION IN SEVERAL PARTS OF THE COUNTRY HAVE BEEN SEVERELY DISRUPTED BY CLASHES BETWEEN GUERRILLA GROUPS IN RECENT WEEKS. MORE THAN 1,000 DEATHS HAVE BEEN REPORTED. (2)

JONATHAN KANDELL WRITES THAT THE PERONIST MOVEMENT EMERGED YESTERDAY MORE DIVIDED THAN EVER BEFORE IN ITS 30 YEARS'

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EXISTENCE WITH A MINORITY BACKING PRESIDENT PERON AND A GROWING MAJORITY FALLING BEHIND THE POWERFUL LABOR MOVEMENT. IN A NATIONWIDE SPEECH, MRS. PERON DENOUNCED LABOR LEADERS AS IRRESPONSIBLE FOR PRESSING FOR INFLATIONARY WAGE DEMANDS. SHE ORDERED A ROLLBACK OF SALARY AGREEMENTS RECENTLY OBTAINED BY THE MAJOR UNIONS. (3)

HENRY KAHN WRITES THAT NOW THAT AID'S PRESENCE HAS ENDED, PRINCE SOUVANNA PHOUMA SAID THERE WAS NO REASON THAT THE TWO NATIONS COULD NOT BE FRIENDLY. BUT HAD NOT EVENTS SHOWN THAT LAOS HAS TURNED AGAINST THE U.S., THE PREMIER WAS ASKED. "BUT NOT AT ALL, NOT AT ALL, NOT AT ALL," HE REPLIED. "WE ARE NOT AT ALL AGAINST THE U.S. WE ASK TO KEEP THE FRIENDSHIP OF THE AMERICAN GOVERNMENT. WHETHER IT BE MYSELF OR THE PATHET LAO, IT IS ALL THE SAME." (3)

DAVID BINDER REPORTS THAT SIX OF EIGHT LATIN AMERICAN COUNTRIES THAT SIGNED A DECLARATION OF INTENT IN DECEMBER TO LIMIT THEIR ACQUISITION OF OFFENSIVE WEAPONS HAVE MADE PROGRESS IN POLITICAL MILITARY TALKS SINCE THEN, ACCORDING TO FOREIGN DIPLOMATS AND AMERICAN OFFICIALS. BUT THE ARMS RACE CONTINUES IN LATIN AMERICA, THE DIPLOMATS AND OFFICIALS NOTED, MAKING SOME OF THEM SKEPTICAL ABOUT THE FUTURE OF THE SO-CALLED AVACUCHO PACT. (4)

A DELEGATION OF 14 U.S. SENATORS ARRIVED IN MOSCOW YESTERDAY TO ASSESS THE FUTURE OF SOVIET-AMERICAN RELATIONS AND SPENT ITS FIRST EVENING MEETING WITH SOVIET JEWS SEEKING TO EMIGRATE. THE SENATORS WERE TOLD BY 16 LEADING JEWISH DISSIDENTS THAT SOVIET EMIGRATION POLICIES HAD BECOME FAR HARSHER THAN IN THE PAST, AND THAT MERELY APPLYING FOR PERMISSION TO EMIGRATE COULD RESULT IN GRAVE DIFFICULTIES FOR APPLICANTS. (5)

PORTUGAL'S BELEAGUERED PRIVATE INDUSTRY IS PLANNING WHAT IT CALLS "A LAST EFFORT" NEXT MONTH TO HELP TRY TO SAVE THE ECONOMY FROM "GRAVE CRISIS." OFFICIALS OF THE CONFEDERATION OF PORTUGUESE INDUSTRY HAVE ANNOUNCED A CONGRESS FOR JULY 10 AND 11 TO DRAW UP A PROGRAM OF ACTION FOR SUBMISSION TO THE GOVERNMENT. (6)

TERENCE SMITH WRITES THAT ISRAEL DECIDED YESTERDAY TO SEEK "PREPARATORY CLARIFICATIONS" FROM THE U.S. BEFORE DECIDING ON HER NEXT MOVE IN THE DEADLOCK NEGOTIATIONS WITH EGYPT ON A NEW DISENGAGEMENT AGREEMENT IN SINAI. THE CABINET SPOKESMAN DECLINED TO GIVE FURTHER DETAILS, BUT OTHER ISRAELI OFFICIALS SAID IT WAS "FEASIBLE" THAT ISRAEL MIGHT COME UP WITH A NEW NEGOTIATING PROPOSAL TO BREAK THE DEADLOCK IF SHE WAS ASSURED IN ADVANCE THAT THE U.S. WOULD SUPPORT THE IDEA. (9)

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ANTHONY LEWIS WRITES THAT ONE VIEW OF WHAT MAY HAPPEN TO THE TROUBLED BRITISH ECONOMY IS CALLED, WITH A CERTAIN IRONY, THE BIG BANG THEORY. IT HOLDS THAT ONE DAY THE ARABS WILL WITHDRAW THE FUNDS THEY KEEP IN LONDON, THE POUND WILL PLUMMET, AND THE INTERNATIONAL MONETARY FUND WILL IMPOSE THE MOST STRINGENT CONDITIONS FOR HELPING BRITAIN TO GO ON BUYING ESSENTIAL FOOD AND RAW MATERIALS ABROAD. SOME OFFICIALS WHO WRESTLE WITH THE COUNTRY'S ECONOMIC PROBLEMS HAVE ACTUALLY HOPED, IN RECENT MONTHS, THAT SOMETHING LIKE THAT DRASTIC SCENARIO WOULD HAPPEN. THEY REASONED THAT SUCH A CRASH WOULD AT LAST FOCUS THE MIND OF THE GOVERNMENT AND GIVE IT THE WILL TO ADOPT A REALISTIC ECONOMIC POLICY. (29)

LUCY KOMISAR QUOTES YOUR STATEMENT THAT "WE ARE NOT GOING AROUND LOOKING FOR OPPORTUNITIES TO PROVE OUR MANHOOD" AFTER THE MAYAGUEZ INCIDENT LAST MAY. IT WAS A CURIOUS COMMENT, FOR THE QUESTION HAD NEVER BEEN ASKED; IT MADE IT CLEAR THAT AT A LEVEL VERY CLOSE TO YOUR CONSCIOUSNESS, YOU KNEW THAT THIS WAS PRECISELY WHAT AMERICA'S REACTION HAD BEEN ALL ABOUT. THE MAYAGUEZ INCIDENT ILLUSTRATES NOT ONLY WHAT IS WRONG WITH AMERICAN FOREIGN POLICY, BUT ALSO, IN A WAY THAT YOU SUGGESTED, WHAT IS A CENTRAL THEME OF OUR CULTURE AND AN IMPLACABLE FACT OF OUR LIVES: THE MACHISMO FACTOR. THERE IS IN OUR SOCIETY A NEED FOR VICTORY AND MARTIAL REPUTATION, CLOSELY TIED TO THE SEXUAL DEFINITION OF MASCULINITY THAT HAS BEEN TAKEN SO MUCH FOR GRANTED THAT IT HAS SCARCELY BEEN CHALLENGED. THE MACHISMO FACTOR IS THE KEY TO AN UNDERSTANDING OF THE MAYAGUEZ INCIDENT, THE VIETNAM WAR AND, UNTIL IT IS ALTERED AS IT SHOULD BE, U.S. FOREIGN POLICY. (29)

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